

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7390

BILL NUMBER: SB 482

NOTE PREPARED: Feb 19, 2009

BILL AMENDED: Feb 19, 2009

SUBJECT: Marion County Township Fire Department Consolidation.

FIRST AUTHOR: Sen. Merritt

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

**FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL**

IMPACT: State & Local

Summary of Legislation: (Amended) This bill has the following provisions.

It provides that unless a township in a county containing the consolidated city opts out of consolidation with the consolidated fire department before September 1, 2009, the fire department of:

- (1) the township; and
- (2) a fire protection territory in the county containing a consolidated city (if applicable); are consolidated into the fire department of the consolidated city on January 1, 2010.

Property, Equipment, Records, Rights, Contracts, and Indebtedness: It provides that a transfer of duties between units of government results in the transfer of property, equipment, records, rights, contracts (including labor contracts), and indebtedness. It provides that after the consolidation of a township fire department into the consolidated fire department on January 1, 2010, the assets, equipment, and employees of the township fire department that are transferred to the consolidated city may be used to provide fire protection services only in the township until the fire transition authority board for the township determines that the township fire services have been completely integrated into the consolidated fire department.

Pension: It provides that a firefighter who is a member of the 1937 or 1977 Fund remains a member of the same fund after the consolidation.

Strategic Plan: It requires the consolidated fire department to develop a strategic plan to determine resource requirements and resource deployments for the consolidated fire department.

Professional Standards Board: It requires the mayor of the consolidated city to establish a professional standards board with responsibility after December 31, 2009, for establishing, validating, and maintaining emergency responder certification and credentialing requirements and procedures. It provides that the requirements and procedures must be in accordance with the National Incident Management System and appropriate national professional standards and certification organizations and boards. It also specifies that a subcommittee of the professional standards board, under the direction of a board-certified emergency physician, is responsible for certification and credentialing of emergency medical responders.

Fire Transition Authority Board: It requires the mayor of the consolidated city to establish a fire transition authority board, consisting of township board presidents and township trustees of townships that have not consolidated into the consolidated fire department before September 1, 2009. It provides that the transition authority board provides guidance to the director of the department of public safety of the consolidated city regarding the integration of township fire services into the consolidated fire department.

Director of the Department of Public Safety: It requires the director of the department of public safety to:

- (1) establish a timeline for townships to integrate into the department; and
- (2) manage the transition of township board and township trustee responsibilities regarding fire protection and related services to the county.

Opt Out: It provides that before September 1, 2009, the township board of a township may opt out of consolidation into the consolidated fire department if at least five of the seven members of the township board vote in favor of opting out of consolidation. It provides that if a township opts out of consolidation, after August 31, 2009:

- (1) the annual budget of the township is subject to review and approval by the city-county legislative body; and
- (2) the township fire department is subject to the review of the professional standards board.

It provides that if the professional standards board determines by a majority vote that the township does not meet the National Fire Protection Association consensus standards, the county legislative body shall vote on an ordinance to override the township's decision to opt out of the consolidation into the consolidated fire department, and it provides that if the ordinance is approved by a 2/3 affirmative vote of the county legislative body and approved by the mayor, the fire department shall be consolidated into the consolidated fire department.

It provides that a township board may by a majority vote, and with the subsequent approval of the county legislative body, override its decision to opt out of the consolidation with the consolidated fire department. It provides that the township board's vote to approve consolidation with the consolidated department may not be rescinded.

Property Tax Levy: It exempts from the property tax levy limits any amounts imposed by the consolidated city or the county to fund former township indebtedness.

Cumulative Building and Equipment Fund for Fire Protection and Related Services: It specifies that the balance in the cumulative building and equipment fund for fire protection and related services of each entity whose fire department is consolidated into the fire department of the consolidated city be transferred to the consolidated city's cumulative building and equipment fund for fire protection and related services.

Legislative Services Agency: Requires Legislative Services Agency to prepare legislation for the 2010 regular session to organize and correct statutes affected by the bill, if necessary.

Effective Date: (Amended) July 1, 2009.

Explanation of State Expenditures: (Revised) *Legislative Services Agency:* The requirement for the Legislative Services Agency to prepare legislation is within the current responsibilities of the LSA and is expected to have no fiscal impact.

Explanation of State Revenues:

Explanation of Local Expenditures: (Revised) The bill consolidates the township fire departments with a fire department of a consolidated city which could lead to indeterminate cost savings if service duplications are removed or administrative efficiencies are increased.

The fire departments of the townships in Marion County, whether operated by the township or another political subdivision, are consolidated into the consolidated fire department (CFD). The CFD would provide fire protection services for all of Marion County, with the exception of areas within the excluded cities. All assets, equipment, employees, and indebtedness of a consolidating fire protection entity would be either transferred to or assumed by the consolidated city.

Pensions: After a consolidation, members of the 1937 Fund remain members of the 1937 Fund and members of the 1977 Fund remain members of the 1977 Fund. This should result in no fiscal impact.

Debt Assumption: In addition, all township fire-related debt is assigned to the consolidated city. Under the bill, the city may not assume any amount of debt that would cause the consolidated city's total debt to exceed the current 2% debt limit, which equals 2% of 1/3 of the consolidated city's assessed valuation. The 2007 total township fire-related debt levy was \$4.2 M, and the only fire debt levy identified for an excluded city was \$467,700 in Lawrence.

Strategic Plan: The CFD is to develop a strategic plan to determine resource requirements and deployment based on the risk assessment models promulgated by the Center for Public Safety Excellence, Inc. or a successor entity. The plan will be updated every three years, and the CFD will report annually to the legislative body of the consolidated city on the implementation of the plan.

Transition: The Director of the Department of Public Safety will establish a timeline for the integration of the townships into the CFD and manage the transition. A Fire Transition Authority Board will guide the director and remain in existence until the director notifies the Board that the townships have been integrated.

Professional Standards Board: A professional standards board is established by the executive of the consolidated city to establish, validate, and maintain emergency responder certification and credentialing requirements in accordance with the National Incident Management System.

Opt Out: A township may opt out of the consolidation if five of the seven members of the township board vote to do so. The city-county council will review the budget of townships opting out of the consolidation and the professional standards board will review the performance of the township fire department. The Board may notify the clerk of the city-county legislative body that if it determines that a township fire department has

not met the standards, and the legislative body may adopt an ordinance to override the township's decision to opt out. Also, a township could later decide to opt back into the consolidation.

(Revised) Background-

Under current law, to consolidate a township fire department with the fire department of a consolidated city, a township legislative body, after approval by the township trustee, would adopt a resolution approving the consolidation, and then the legislative body of the consolidated city would adopt an ordinance, approved by the mayor, to approve the consolidation. Washington Township has consolidated its fire department with the Indianapolis Fire Department under this law.

Explanation of Local Revenues: (Revised) *Fire Service District Maximum Levies:* The consolidated city may levy property tax in the area served by the CFD to provide for operating expenses. The consolidated city's maximum levy for 2010, 2011, and 2012 would equal the city's 2010 current law maximum levy plus the 2009 fire protection levies for the consolidating units. The consolidating units' maximum levies for fire protection would be eliminated.

Under current law, a taxing unit's maximum levy may grow annually by the income-based growth quotient, around 3% to 4% per year. Under the bill, the city would not receive this levy growth in 2011 or 2012, and the 2012 levy would serve as the new base levy for growth beginning in 2013.

For a township that consolidated with the fire department of a consolidated city before July 1, 2009, provisions concerning property tax levies and county option income taxes apply only to the extent that they do not conflict with the consolidation ordinances adopted by the consolidated city and the township or any existing consolidation agreement.

(Revised) *Cumulative Fire Building Fund Levies:* Any balance in the township building and equipment fund for fire protection and related services transfers to the city and may be used by the consolidated city for funding land, building, and equipment for fire protection and emergency services. The bill would establish a cumulative fire building fund in the consolidated city. Cash balances remaining in the joining entities' fire cumulative funds on the consolidation date would be transferred to the consolidated city's cumulative fire fund.

The county is to assume township indebtedness or lease rental obligations for fire services and may levy property taxes in any area of the county where the county provides firefighting and emergency services. The county may not assume indebtedness that will exceed the limitations on the amount of indebtedness the county may incur.

The consolidated city may issue obligations to refund obligations issued before the effective date of the statute.

State Agencies Affected:

Local Agencies Affected: Marion County.

Information Sources:

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